

CHARTER TOWNSHIP OF OSCODA

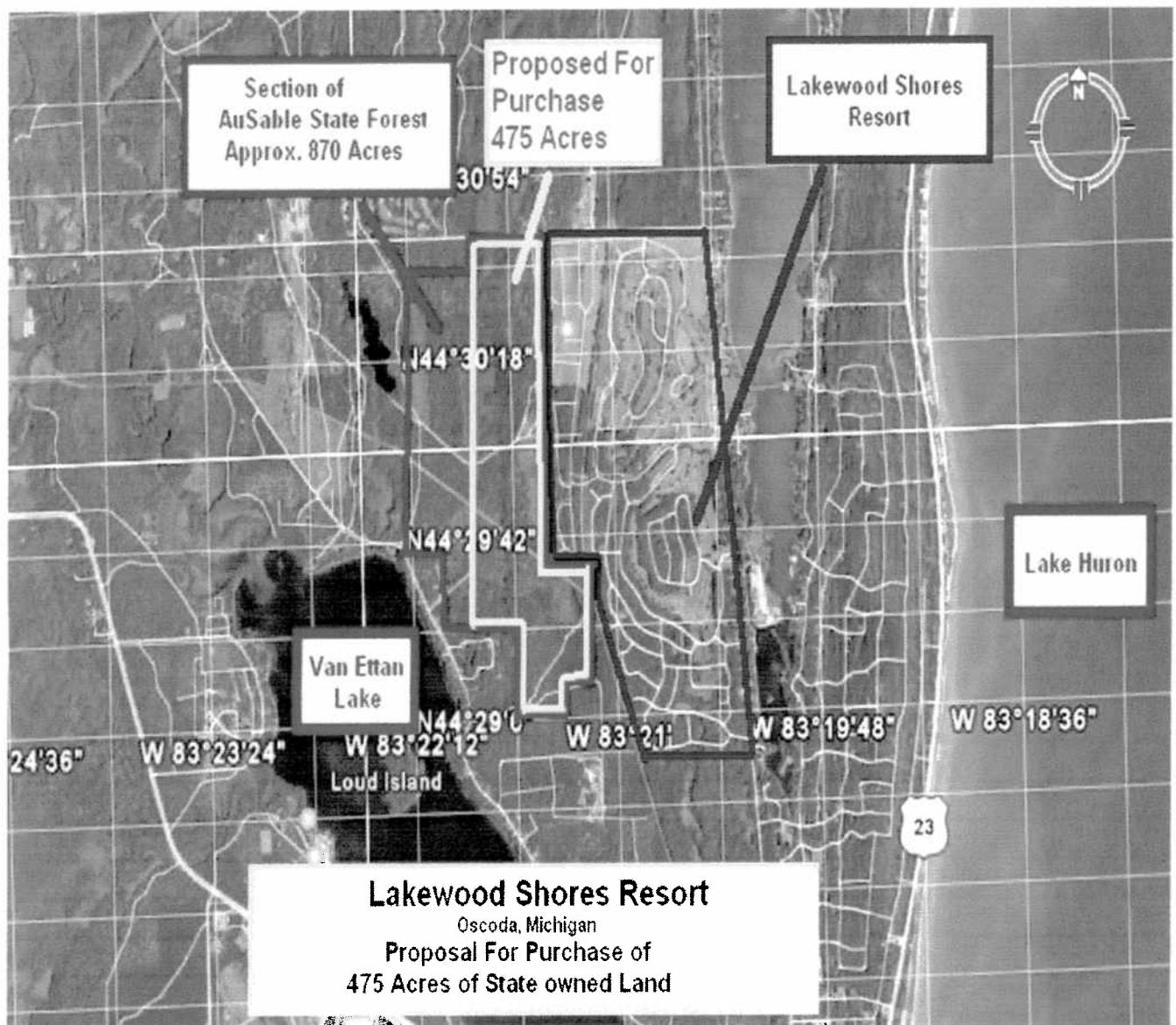
And



Lakewood Shores Resort

7751 CEDAR LAKE ROAD, OSCODA, MI 48750

June 23, 2009



Introduction

Oscoda Township is located along the northern border of Iosco County - - which is situated immediately south of Alcona County. The Township has a total land area of 131.5 square miles. More than 80 percent of the land area within Oscoda is designated as public forest land. Approximately 59,884 acres are part of the Huron National Forest and 3,906 acres is AuSable State Forest. Also, approximately 3,565 acres is forested land that is owned by Consumers Energy - - the majority of which is available for public recreation uses. Likewise, the 720 square miles of Alcona County includes over 107,000 acres of Huron National Forest and approximately 1,800 acres of State of Michigan owned properties.

Lakewood Shores Resort (Lakewood) is located within Oscoda Township with their properties extending across the county line into Alcona County. Lakewood is currently offering to invest approximately \$ 4 M to expand, further develop and enhance golfing opportunities in Oscoda. The proposed expansion involves a need to acquire adjacent State of Michigan owned property. As such, Lakewood Shores is seeking to purchase 475 acres from the State of Michigan's Department of Natural Resources.

As described above, there is over 200,000 acres of nearby public forest land. Lakewood is seeking to purchase 475 acres - - which equates to approximately .2% the nearby public land.

Background

Lakewood has been a well recognized and highly regarded golfing destination / attraction since the early 1970s. Lakewood was originally developed with a single golf course. Beginning during the 1990s, Lakewood initiated an innovative business plan premised upon development and implementation of new and unique golf courses to complement those already in existence. This business plan has been successful, to say the least, and Lakewood now offers three (3) separate

courses that provide distinctively diverse golf opportunities - - all at a single resort location. It has been during this time that Lakewood has also developed on-site lodging that has grown to 152 rooms.

Current Expansion Proposal

After building 35 golf courses, the design team for Lakewood is uniquely qualified to develop uncommon and alluring golf courses. The Owner of Lakewood is now prepared to develop one of the most attractive golf projects in America. The Lakewood Shores team has secured the complete topographical sketches of the historically renowned golf course at St. Andrews, Scotland. The Lakewood proposal involves replicating the legendary St. Andrews golf course - - as a fourth golf course offering at Lakewood Shores Resort, Oscoda, Michigan. This replica course is expected to create an unprecedented draw of golfers that wish to experience the challenges of playing the original 'Old Course' at St. Andrews, Scotland.

Economic Development Need

Lakewood's proposal comes at time when there is desperate need for economic stimulus within the northeast region of Michigan. The economies of Oscoda and nearby Alcona County rely heavily upon seasonal tourism. As a result of unprecedented fuel prices, credit constriction and other significant financial stresses - - attracting tourism is becoming an increasingly difficult and competitive undertaking. Recent downturns are now compounding an already economically distressed community.

A major contributor to this distress is the fact that, Oscoda includes the property that formerly served as Wurtsmith Air Force Base. The impacts of Base closure have caused long-term economic dislocation from which the community continues

to battle for recovery. A few key indicators of this lingering distress are demonstrated as follows:

Economic Distress Indicators	Alcona County	Iosco County	United States (National Average)
Most Recent Unemployment Statistics	18.2% (January 2009)	18.5% (January 2009)	7.6% (January 2009)
Jobless Rate 10 - Year Average (1999 - 2008)	10.2%	9.2%	5.02%
Per Capita Income Most Recent Data available 2006	\$ 23,303 (63%)	\$23,997 (65%)	\$36,714

The Lakewood proposal provides a significant opportunity for stimulating the economy within this region while creating unique additional recreational opportunities for the general public. Nearby hotels, restaurants, support services and other tourism based businesses would benefit greatly from the anticipated inflow of golfers, and their families, that will be attracted to the St. Andrews replica golf course.

Closing Summary

The community of Oscoda and the State of Michigan are being offered with a significant opportunity -- an opportunity that is almost unheard of in the current economic climate. The team at Lakewood Shores Resort are proven performers. They have consistently delivered very attractive and successful development - - which continues to provide significant economic benefits within an otherwise distressed area. There is an abundance of public land available in and around Oscoda. The availability of such public land is considered a significant asset and

its value to the community is clearly recognized. However, as referenced above, the proposed land transfer equates to a relatively small fraction (approximately .2%) of the nearby public land. On balance, therefore, the proposed project is clearly worthy of converting public land in light of the significant economic development, recreational and other benefits that will result within a region that is in dire need of economic stimulus.

Gary Kellan

From: Susan Thiel [Thielsj@michigan.gov]
Sent: Thursday, January 29, 2009 12:46 PM
To: Gary Kellan
Cc: District 103; craigpeters@lakewoodshores.com; Elaine Carlson; Dayle Garlock; William O'Neill; Steven Sendek; Kerry Wieber; 'Robert F. Stalker'; 'Stan Aldridge'; 'Brady'
Subject: Re: Lakewood Shores - Land Exchange

Mr. Kellan:

After discussions with multiple resource divisions and the Executive Division of the Department, it has been reaffirmed that the property that Mr. Aldridge is interested in obtaining is not surplus. The State feels it is a priority to maintain that property. Where as the offer for other property may be attractive, we are not willing to dispose of the desired land. I appreciate your efforts towards stimulating our sagging economy, but it appears that there are other lands in the area that could meet the need for golf course development while still providing this forested tract near a population center to meet hunting and forest recreation needs.

Susan

Susan J. Thiel, Unit Manager
Grayling Forest Management Unit
FMFM, Michigan DNR
(989) 348-6371 ext 7440

>>> "Gary Kellan" <oed@oscodatwp.com> 01/26/2009 4:01:31 PM >>>
Dear Ms. Thiel:

I am sending this email as a reminder. We are still somewhat patiently waiting for some form of response to our question about DNR interest in acquiring properties that are situated north of Negwagon State Park / along the Thunder Bay region of Lake Huron.

Additionally, if perhaps you or any of your colleagues have identified any other privately owned land that would be desired by the DNR - - we would certainly appreciate that information.

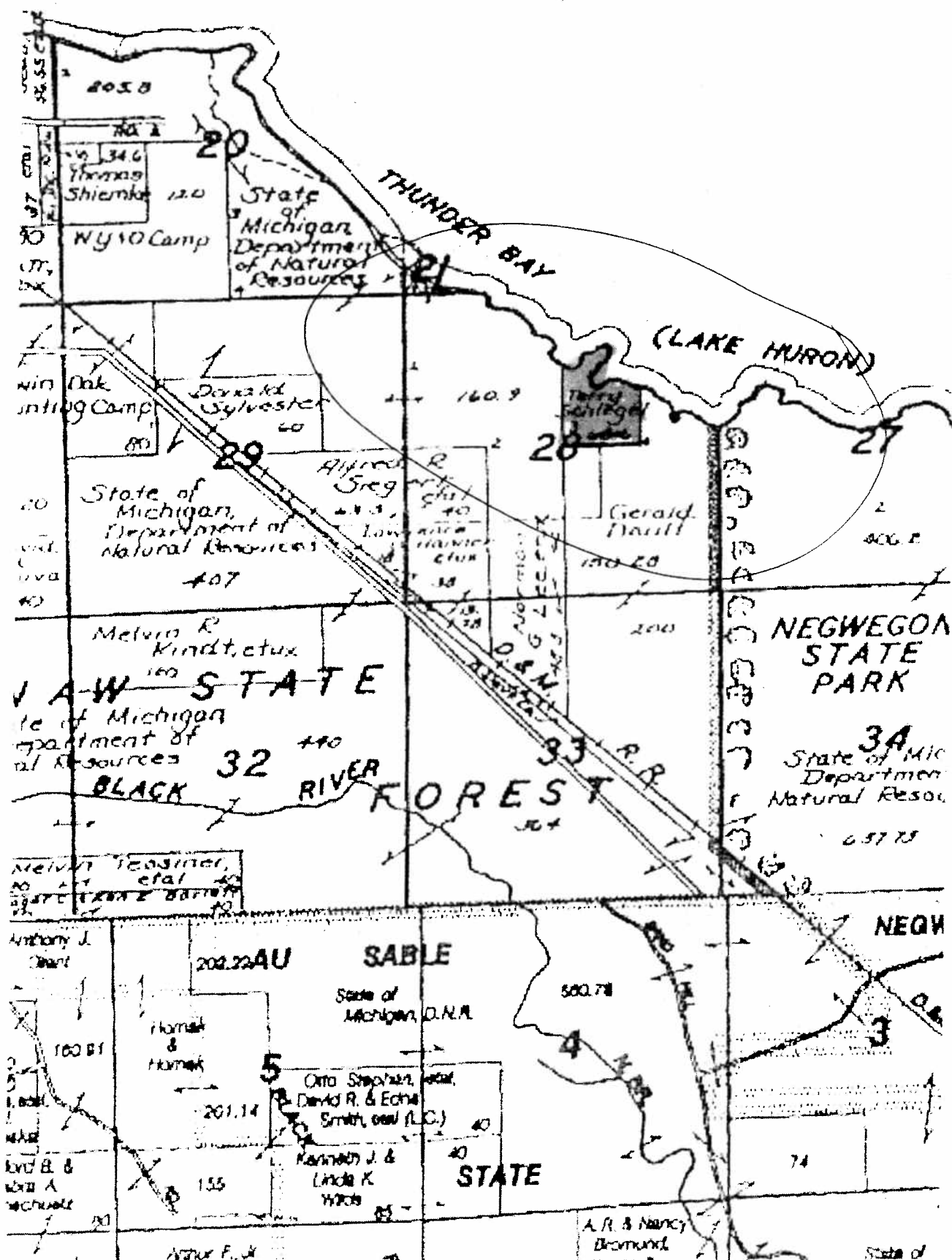
Gary W. Kellan
Economic Development Coordinator &
Assistant Superintendent
Charter Township of Oscoda
(989) 739-6999
FAX (989) 739-0034
Email oed@oscodatwp.com

-----Original Message-----

From: Susan Thiel [mailto:Thielsj@michigan.gov]
Sent: Monday, November 17, 2008 8:45 AM
To: Gary Kellan
Cc: Joel Sheltrown; craigpeters@lakewoodshores.com; Kerry Wieber; 'Robert F. Stalker'; Stan Aldridge; Brady
Subject: Re: Lakewood Shores - Land Exchange

Gary:

If we were interested in that property, the primary interest would be from Parks and Recreation folks as it is adj to state park lands. I turned in an inquiry to various Divisions for an informal review right after our meeting. I haven't heard back from any one yet, but November/ deer season is tough to get ahold of staff in a timely manner as either folks are working at other stations on assignments and aren't able to check voice mail or they are off on vacation. I suspect the primary interest would be from P&R staff, but my contacts were out of the office for various reasons and I was downstate all last week at training. As soon as I get responses, I will





June 20, 2009

To Whom It May Concern:

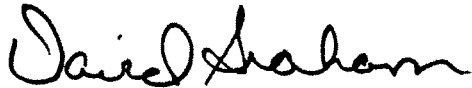
I understand that Mr. Stan Aldridge is seeking to expand the Lakewood Shores Golf Resort in Oscoda by adding a fourth course to the current Seradalla, Blackshire and Gailes courses. The Lakewood Shores complex has been recognized nationally for its outstanding golf courses, specifically The Gailes course which has been rated as one of the finest links courses in the country. In addition to Lakewood Shores, Mr. Aldridge and his family own and operate Indianwood Golf & Country Club in Lake Orion. As a member of the club over the past nine years, I have observed the astute business practices the Aldridge family uses to successfully operate this facility. The Old Course at Indianwood has been ranked in the top 100 classic courses in the country because the Aldridges continue to invest in maintaining this gem to be the finest links style course it can be.

I am confident that Mr. Aldridge has the requisite background to build another classic links course which will be another treasure for the state of Michigan as we continue to compete with other states around the country for tourism dollars. He is going to replicate the Old Course at St. Andrews on the proposed site. The potential for extraordinary success in this project is quite clear in my mind. Golfers will be very motivated to try their game on the Old Course. The cost to travel across to Scotland to play the original is prohibitive for most golfers. The opportunity to have the next best thing available in Michigan will be very appealing to most golfers. It will continue to grow the reputation of Michigan as the Northern Golf Capital of the country. Not only will we draw golfers from around the U.S., our Canadian neighbors will have yet another reason to come to Michigan to spend their "loonies and twonies".

In addition to serving as the Executive Director of the Golf Association of Michigan over the past nine years, I serve on the board of the Michigan Golf Foundation that oversees the Michigan Golf Hall of Fame. Several years ago, Stan Aldridge was elected to the Michigan Golf Hall of Fame for his great support of the game over the years. Under his leadership, Indianwood has served as the host for not one but two U.S. Women's Open Championships. The second championship was hosted on short notice when Stan came to the assistance of the USGA when the original planned host site could not hold the Open as planned. As further recognition of the respect held for him and Indianwood, the USGA has elected to hold the 2012 U.S. Senior Open on the Old Course at Indianwood. Mr. Aldridge is recognized in golf circles in the state and on the national scene as someone who understands the golf business and can deliver on his promises.

Finally, I believe that this proposed golf course will provide great press for the state of Michigan which will enhance our standing on the national scene. In these difficult economic times, building this course will create jobs which we clearly need. As a life long Michigan golfer, businessman and executive director of the Golf Association of Michigan, I strongly urge you to support the plans of Stan Aldridge to build the Old Course of St. Andrews in Oscoda as has been proposed.

Fairways & Greens,

A handwritten signature in black ink, appearing to read "David Graham". The signature is fluid and cursive, with the first name "David" and last name "Graham" clearly distinguishable.

David Graham
Executive Director
Golf Association of Michigan